

**MINUTES OF THE REGULAR MEETING OF THE  
ARIZONA STATE RETIREMENT SYSTEM BOARD**

**HELD ON  
Thursday, June 15, 2000  
9:00 A.M., M.S.T.**

The Arizona State Retirement System (ASRS) Board met in the Rouge Room of the Little America Hotel, located at 2515 East Butler Avenue, Flagstaff, AZ, 86004. Mr. Jim Jenkins, Chairman, Arizona State Retirement System Board called the meeting to order at 9:04 A.M., MST.

The meeting was teleconferenced to the ASRS Phoenix office, 10<sup>th</sup> floor Board room, 3300 North Central Avenue, Phoenix, Arizona, 85067 and to the Tucson Office, 7660 East Broadway Boulevard, Suite 108, Tucson, Arizona 85710.

**1. Call to Order; Roll Call.**

Present: Mr. Jim Jenkins, Chairman  
Dr. Chuck Essigs, Vice Chairman (arrived at 9:08 A.M. via teleconference)  
Mr. Jim Bruner  
Dr. Merlin DuVal  
Mr. Karl Polen (arrived at 9:29 A.M. via teleconference)  
Mr. Alan Maguire (via teleconference)  
Mr. Ray Rottas  
Ms. Bonnie Gonzalez

Excused: Mr. Norman Miller

A quorum was present for the purpose of conducting business.

**2. Approval of Minutes of the May 19, 2000 Regular Meeting of the Arizona State Retirement System Board.**

**Motion:** Dr. Merlin DuVal moved to approve the minutes of the May 19, 2000 regular meeting of the ASRS Board.

Mr. Ray Rottas seconded the motion.

By a vote of 6 in favor, 0 opposed, 0 abstentions, 3 excused, the motion was approved.

### **3. Board Approval of Consent Schedule.**

**Motion:** Dr. Merlin DuVal moved that the ASRS Board approve the summary Report of Retirements, Refunds, and Death Benefits; System Transfers; Applications and Agreements Between Employers and the Arizona State Retirement System; and approval of the contract extension for Fortis Benefits Company for Long Term Disability Program Administration.

Mr. Jim Bruner seconded the motion.

By a vote of 6 in favor, 0 opposed, 0 abstentions, 3 excused, the motion was approved.

### **4. Presentation and Discussion with Respect to the Proposed Imaging System.**

Mr. Kent Smith, Assistant Director, Information Services Division gave a presentation with regard to the need for a new imaging system at the ASRS. Mr. Smith explained that while the strategic technological direction of the ASRS is sound, new systems implementation needs to become a primary focus. He also expressed that demands from the membership have increased faster than systems could be developed. ASRS staffing levels do not currently support both systems development efforts and the completion of daily workload volumes. This will eventually cause a decrease in service levels and member satisfaction. Mr. Smith concluded with the following points:

- Member demand for faster service is increasing
- Staffing alone will not improve service levels
- The ASRS views technology as the only way to both improve service levels and address increased demand for service
- PERIS applications development, Internet applications development, and Imaging are technological solutions that will improve service levels and address increased demand for service
- Additional staff resources will be required for a full time development effort (both permanent staff and temporary consultant staff)
- Technology solutions are neither quick nor inexpensive
- Legislative changes that impact services are inevitable
- The ASRS staff needs the Board's continued support

Dr. Chuck Essigs arrived at 9:08 A.M.

Mr. Karl Polen arrived at 9:29 A.M.

### **5. Director's Report.**

There were no comments regarding the Director's Report.

**6. Appointment of Fiscal Year 2000/2001 Arizona State Retirement System Board Committee Members.**

Dr. Chuck Essigs, Chairman Elect, appointed the fiscal year 2000/2001 Arizona State Retirement System Board Committee members.

**Executive Compensation**

Mr. Jim Jenkins, Chairman  
Mr. Karl Polen  
Dr. Merlin DuVal  
Dr. Chuck Essigs  
Mr. Jim Bruner  
Mr. Ray Rottas

**Investment Review**

Mr. Jim Bruner, Chairman  
Mr. Norman Miller  
Mr. Jim Jenkins  
Dr. Chuck Essigs  
Mr. Alan Maguire  
Mr. Karl Polen  
Mr. Ray Rottas

**Audit**

Mr. Karl Polen, Chairman  
Dr. Chuck Essigs  
Mr. Jim Jenkins

**LTD/Health Insurance**

Dr. Merlin DuVal, Chairman  
Dr. Chuck Essigs  
Mr. Jim Bruner  
Ms. Bonnie Gonzalez

**External Relations and Legislative**

Mr. Norman Miller, Chairman  
Mr. Ray Rottas  
Dr. Chuck Essigs  
Mr. Jim Jenkins  
Mr. Alan Maguire  
Dr. Merlin DuVal  
Ms. Bonnie Gonzalez

**Technology and Long Range Planning**

Mr. Alan Maguire, Chairman  
Dr. Chuck Essigs  
Mr. Norman Miller  
Mr. Jim Bruner  
Ms. Bonnie Gonzalez

**Budget**

Ms. Bonnie Gonzalez, Chairman  
Mr. Norman Miller  
Mr. Jim Jenkins  
Mr. Alan Maguire  
Dr. Chuck Essigs

**Board Policy and Procedures**

Ad Hoc Committee

**7. Board Requests for Agenda Items.**

There were no requests for agenda items.

**8. Call to the Public.**

There were no requests to speak from the Phoenix or Tucson public.

**9. Executive Session Pursuant to A.R.S. Sec. 38-431.03(A)(3) & (4) for Discussion and Consultation with Attorneys of the Board for Legal Advice and to Consider the Position of the Board and to Instruct the Attorneys of the Board Regarding Its Position in Burke V. Arizona State Retirement System Et Al. (Pima County Superior Court No. 316479).**

**Motion:** Mr. Ray Rottas moved that the ASRS Board convene to Executive Session.

Dr. Merlin DuVal seconded the motion.

By a vote of 8 in favor, 0 opposed, 0 abstentions, 1excused, the motion was approved.

The ASRS Board convened to Executive Session at 10:10 A.M.

The ASRS Board reconvened to Regular Session at 11:29 A.M.

**10. The next ASRS Board meeting is scheduled for Friday, July 21, 2000 at 9:00 a.m. in the 10<sup>th</sup> Floor Board Room of the ASRS Office, 3300 North Central Avenue, Phoenix, Arizona.**

**11. Adjournment of the ASRS Board.**

Mr. Jim Jenkins, Chairman adjourned the June 15, 2000 meeting of the ASRS Board at 11:29 a.m.

Respectfully submitted,

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Stephanie Marries, Secretary

Date

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LeRoy Gilbertson, Director

Date

